

Charting types of pay

Students interview family members, friends, or other trusted adults about ways they get paid (wages, salaries, tips, or commissions) and then track the pay types on a graph.

Learning goals

Big idea

Workers are paid in different ways such as wages, salaries, tips, and commissions.

Essential questions

- What are four types of pay?
- Which types of pay are most common?

Objectives


- Understand the difference between wages, salaries, tips, and commissions
- Learn about the types of pay that adult friends and family members earn

NOTE

Please remember to consider your students' accommodations and special needs to ensure that all students are able to participate in a meaningful way.

KEY INFORMATION

Building block:

-  Financial knowledge and decision-making skills

Grade level: Elementary school (2-3, 4-5)

Age range: 7-9, 9-11

Topic: Earn (Getting paid, Making money)

School subject: Math, Social studies or history

Teaching strategy: Cooperative learning

Bloom's Taxonomy level: Understand, Apply, Analyze, Evaluate

Activity duration: 75-90 minutes

National Standards for Personal Financial Education, 2021

Earning Income: 4-1, 4-2, 4-3, 8-1, 8-3

These standards are cumulative, and topics are not repeated in each grade level. This activity may include information students need to understand before exploring this topic in more detail.

What students will do

- Discuss the difference between wages, salaries, tips, and commissions.
- Interview trusted adults about the types of pay they earn.
- Help create a bar graph on types of pay using sticky notes.

Preparing for this activity

- While it's not necessary, for grades 4-5 completing the "[Exploring types of pay](#)" activity first may make this one more meaningful.
- Plan for this activity to take multiple days. Each student will need to interview one or two adults and complete their worksheet before doing this activity.
- The student worksheet can only be completed on paper. Print copies of the worksheet for each student.
- Distribute the "[Charting types of pay](#)" worksheet to students well before you plan to do this activity. Explain what's required for the interviews.
 - The worksheet contains the interview questions and space to record the adults' responses.
 - Give students a deadline for completing the interviews and worksheets.
- Have students bring in their completed worksheets the day you plan to do this activity.
- You'll create a pay type bar graph on the board on the day you do this activity. Obtain small sticky notes that students can place on the bar graph to indicate the number of interviewees in a single category.

What you'll need

THIS TEACHER GUIDE

- [Charting types of pay \(guide\)](#)
[cfpb_building_block_activities_charting-types-pay_guide.pdf](#)

STUDENT MATERIALS

- [Charting types of pay \(worksheet\)](#)
[cfpb_building_block_activities_charting-types-pay_worksheet.pdf](#)
- Sticky notes

Exploring key financial concepts

People can get money in different ways. Most adults earn money from their job. A job is a specific task that someone does to earn money. Adults have jobs so that they can earn money to pay for things they need and want. Some types of pay adults earn are wages, salaries, tips, and commissions. Wages are an amount of money that a worker is paid based on the amount of time they work, which is typically by the hour. A salary is the amount of money a person is paid each year, regardless of the amount of time they work. Many people who provide services, such as taxi drivers and servers at restaurants, earn part of their income through tips. A tip is an extra amount of money that you give to someone (such as a waitress or waiter) who performs a service for you. Adults who sell things in their jobs sometimes earn a commission. A commission is an amount of money someone earns for selling something. Understanding different types of pay can help you manage your money later in life.

TIP

Because terms and laws related to types of pay change, students should be encouraged to always look for the most up-to-date information.

Teaching this activity

Whole-class introduction

- Ask students to share examples of jobs adults have.
 - Tell students that a **job** is a specific task that someone does to earn money.
 - Explain that a job is different from a career.
 - A **career** is a type of work someone has for many years or their lifetime.
 - For example, someone may have a career as a writer and different jobs writing books, news stories, or web pages during their career.
- Explain to students that there are four common ways people get paid for their jobs: Wages, salaries, tips, and commissions.
 - Read the “Exploring key financial concepts” section to the class to explain the difference between each type of pay.
- Be sure students understand key vocabulary:
 - **Career:** A type of work someone has for many years or their lifetime.
 - **Commission:** An amount of money someone earns for selling something.
 - **Earn:** To receive money in exchange for goods or services.

- **Income:** Includes money earned from working, such as wages, salaries, tips, and commissions.
 - **Job:** A specific task that someone does to earn money.
 - **Salary:** The amount of money a worker is paid each year.
 - **Tip:** An extra amount of money you give to someone (such as a waitress or waiter) who performs a service for you.
 - **Wages:** An amount of money a worker is paid based on the amount of time they work.
- Tell students they'll interview one or two adults to find out if they get paid through wages, a salary, tips, or a commission.
 - Tell students that they'll take their worksheets home and bring them back filled out on another day.
 - Using the information from their worksheets, the class will work together to fill in a bar graph about the different types of pay that people they know earn.

TIP

Visit CFPB's financial education glossary at consumerfinance.gov/financial-education-glossary/.

Individual and group work

- On the day students return with their completed worksheets, let them know how excited you are to hear what information they gathered in their interviews.
- Create a bar graph on the board similar to the one below, making sure there's enough space for students to place their sticky notes next to each pay type:

Pay type	Number of people who earned this type of pay
Wages	
Salary	
Commission	
Tips	

- Distribute two sticky notes to each student.
- On the first sticky note, ask them to write the job and type of pay for the first person they interviewed.
- On the second sticky note, ask them to write the job and type of pay for the second person they interviewed.

- Have students place their sticky notes on the corresponding lines of the bar graph on the board.
- Once all students have added their sticky notes, ask them to review the graph to see what they can observe about how people in their community are paid.
 - If any types of pay aren't represented, ask students why they think those types are missing.
- Then, have students work independently to total each pay type and create their own bar graph on their worksheets that reflects the class totals on the board.
- Students will then answer the reflection questions.

Wrap-up

Ask for volunteers to share their responses to the reflection questions.

Suggested next steps

Consider searching for other [CFPB activities](#) that address the topic of earning, including getting paid or making money. Suggested activities include "[Playing a money counting game](#)" (grades 2-3) or "[Graphing ways to make money](#)" (grades 4-5).

Measuring student learning

Students' interview results and answers on their worksheets can give you a sense of their understanding. **Keep in mind that students' answers may vary.** The important thing is for students to have reasonable justification for their answers.